

MINUTES OF MARCH 11, 2015 COMMITTEE MEETING

**BOARD OF REGENTS, STATE OF IOWA
PROPERTY AND FACILITIES COMMITTEE**

**MAIN LOUNGE. IOWA MEMORIAL UNION
UNIVERSITY OF IOWA
IOWA CITY, IOWA**

Committee Members Present

Regent Milt Dakovich, Chair

Regent Larry McKibben

Rod Lehnertz, University of Iowa Interim Senior Vice President, Finance & Operations

Warren Madden, Iowa State University Senior Vice President for Business and Finance

Michael Hager, University of Northern Iowa Senior Vice President for Administration & Financial Services

Patrice Sayre, Board of Regents Chief Business Officer

Presenter

Joan Racki, Board of Regents, Policy and Operations Officer

Chair Dakovich called the meeting to order at 9:02 a.m.

Agenda Item 1 - Minutes of February 5, 2015, Committee Meeting

The minutes of the February 5, 2015, meeting, as presented, were accepted by General Consent.

Agenda Item 2 - University of Iowa Capital Improvement Business Transactions

University of Iowa Interim Senior Vice President, Finance & Operations Rod Lehnertz presented the Register of University of Iowa Capital Improvement Business Transactions, discussing the need for a new West Campus Energy Plant.

In response to a question from Chief Business Officer Patrice Sayre regarding the life span of the temporary boilers, Interim Senior Vice President Lehnertz stated that the University would stretch the use of the temporary boilers for an additional four years, ensuring that they remain in service until the new west campus plant is operational.

Chair Dakovich asked if the capacity of the temporary boilers is limited due to age; Interim Senior Vice President Lehnertz confirmed that statement. He also explained why the new power plant could not be constructed at the site of the temporary boilers.

University of Northern Iowa Senior Vice President for Administration & Financial Services Michael Hager requested that all committee members receive copies of schematic design books prior to the committee meetings. Chair Dakovich and Policy and Operations Officer Joan Racki agreed this would occur.

The Committee, by General Consent, recommended to the Board approval of:

1. The following actions for the **West Campus Energy Plant – Construct Facility** project, a major capital project as defined by Board policy:
 - a. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria;
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Authorize permission to proceed with project planning, including the design professional selection process.
2. The following actions for the **Madison Street Residence Hall – Construct Facility** project, a major capital project as defined by Board policy.
 - a. Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria;
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration;
 - c. Approve the schematic design, and project description and budget (\$95,000,000), with the understanding that approval will constitute final Board approval and authorization to proceed with construction; and
 - d. Approve the financing plan and adopt A Resolution Declaring an Official Intent Under Treasury Regulation 1.150-2 to Issue Debt to Reimburse The State University of Iowa for Certain Original Expenditures Paid in Connection with the Construction of a New Residence Hall (Madison Street Residence Hall).

Agenda Item 3 - Iowa State University Proposed Property Purchase

Iowa State University Senior Vice President for Business and Finance Warren Madden presented the University's request to purchase property located at 925 Airport Road, Ames, Iowa. He outlined the need for the space to replace lost warehouse space resulting from Harrisvaccines, Inc. expansion and the razing of the Old Industrial Building.

By General Consent, the Committee recommended to the Board, for the benefit of Iowa State University:

1. Approval of the purchase of property located at 925 Airport Road, Ames, Iowa, from Van Houweling Property Inc. at a cost of \$1,400,000 and a waiver of Board Policy 9.02 C.2 (conveyance of real estate for monetary consideration based on appraisal), subject to approval of the final documents by the Board Office and Attorney General's Office.
2. Authorization for the Executive Director and/or University Senior Vice President for Business and Finance to execute any ancillary contracts or documents necessary for this transaction.

Agenda Item 4 - University of Iowa Update of Flood Recovery Status

Interim Senior Vice President Lehnertz presented the update, including the four reports presented at each Committee meeting. He noted the continued progress on the flood recovery replacement projects. He invited Committee members and others present to take a tour of the Iowa Memorial Union basement following the meeting.

The Committee received the report

Agenda Item 5 – Discussion of Future Committee and Other Agenda Items

Policy and Operations Officer Joan Racki noted that she had been in contact with Iowa Department of Transportation (DOT) personnel regarding additional funding that would be available to the Regent institutions through the Institutional Roads Program due to the increase in the gas tax. She had been advised that the increase would be approximately \$400,000 annually with approximately \$350,000 in calendar year 2015. (The increase became effective on March 1, 2015.) The DOT is not planning a major amendment to the approved program; additional funding for calendar year (CY) 2015 would be added to CY 2016 funding when the programs are prepared later this spring / early summer.

In response to a question from Chief Business Officer Sayre regarding the Regents annual total for the Institutional Roads Program; Policy and Operations Officer Racki responded that it is slightly more than \$2 million (\$2.34 million for CY 2015), although \$675,000 is allocated for maintenance, leaving approximately \$1.7 million for projects.

Iowa State University Senior Vice President Madden noted the backlog of institutional roads projects. Policy and Operations Officer Racki concurred and stated that the additional funds would be helpful in addressing the backlog.

Chair Dakovich adjourned the meeting at 9:15 a.m.

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: <http://www.regents.iowa.gov/>. Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.